

WORKSHEETS A and B
Form NPT
1999

These are worksheets only.
Do not file these worksheets with your return.

INSTRUCTIONS FOR WORKSHEETS A & B

- Line 1:** Enter the net income or loss from the appropriate Federal Tax return(s) or if applicable, the Profit and Loss Statement.
- Line 2:** Examples of adjustments (not all inclusive): Federal Form 1040, Schedule "C" filers - add back to net income any taxes based on net income which have been deducted in arriving at reported net income, e.g., prior year Net Profits Tax (**the Business Privilege Tax paid is deductible**). Federal form 1065 filers - add back to net income taxes based on net income, capital gains, and guaranteed payments to partners; deduct from net income IRC section 179 expense. Non-residents may take an income exclusion for P.L. 86-272 activity.
- Line 3:** Other taxable income may include income from the sale of business capital assets, income from estates or trusts, and income from patents and royalties.
- Line 5:** Non-residents of Philadelphia may apportion all or part of their net income to their places of business located outside of Philadelphia. The apportionment is based on a **three-factor** formula consisting of an average of the property owned, the salaries and wages paid, and the receipts earned during the tax year. Residents of Philadelphia **cannot** apportion their net income. Also include in this line a corporate partner's share of the net income of the partnership, joint venture or association.

For further explanations, see the Income Tax regulations.

WORKSHEET A: Business Income (Loss) for Residents

1. Net Profit or Loss.....	1.		
2. Federal Form 1065, Schedule K-1 and other adjustments (See Line 2 Instructions)	2.		
3. Other taxable income (See Line 3 Instructions)	3.		
4. Taxable Resident Net Profits (Lines 1+2+3) (enter on Page 1, Line 1)	4.		

WORKSHEET B: Business Income (Loss) for Non-Residents

1. Net Profit or Loss.....	1.		
2. Federal Form 1065, Schedule K-1 and other adjustments (See Line 2 Instructions)	2.		
3. Other taxable income (See Line 3 Instructions).....	3.		
4. Total Net Income or Loss (Lines 1+2+3)	4.		
5. Net Profits allocated/apportioned outside Philadelphia (See Line 5 Instructions)	5.		
6. Taxable Non-Residents Net Profits (Line 4 less Line 5) (enter on Page 1, Line 3)	6.		